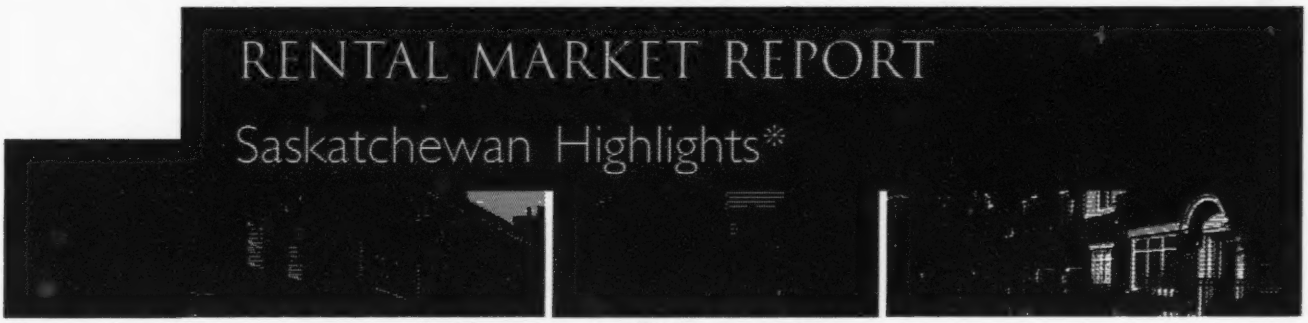
RENTAL MARKET REPORT

Saskatchewan Highlights*



Canada Mortgage and Housing Corporation

Date Released: December 2006

Highlights

- The vacancy rate in Saskatchewan's urban centres fell from 4.4 per cent in October 2005 to 3.2 per cent this year.
- The average rent for a two-bedroom apartment increased to $601 in Saskatchewan.
- Growth in the natural resource sector was a strong contributor to the tightening rental market conditions.
- Vacancies fall in Saskatoon and increase slightly in Regina.
- Lloydminster records lowest vacancy rate in the province.

Figure 1

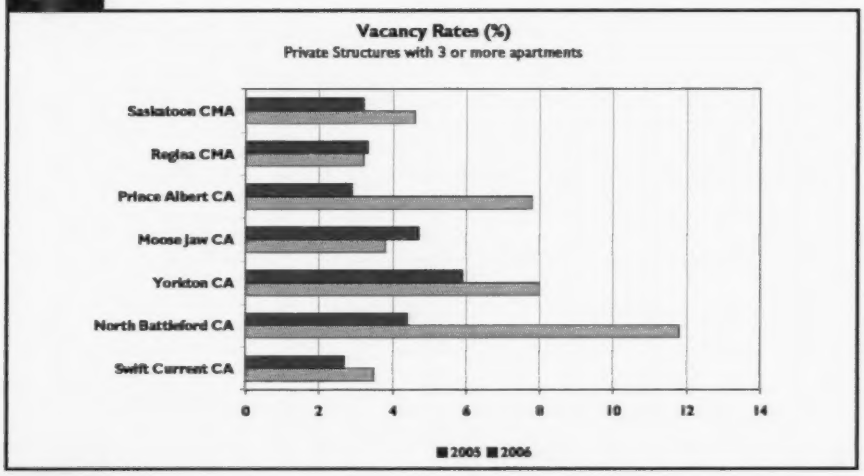
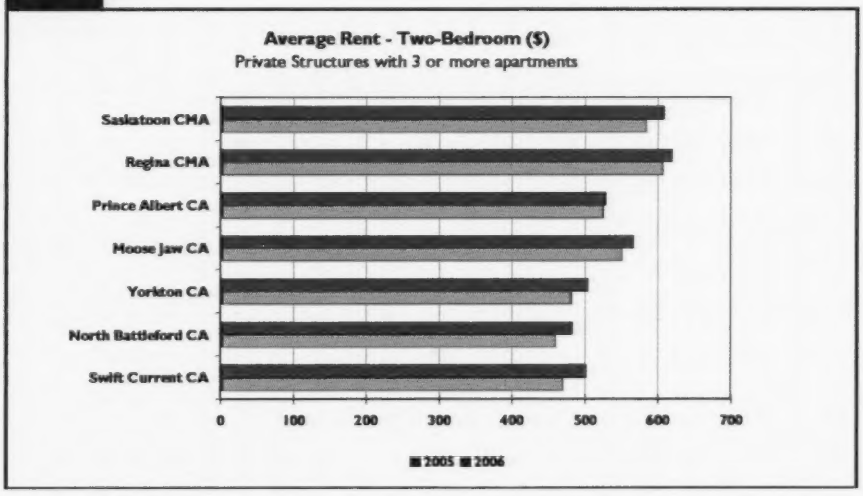


Figure 2



*Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

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The results of the annual Canada Mortgage and Housing Corporation (CMHC) Rental Market Survey indicate that the average vacancy rate for privately-initiated rental apartments in Saskatchewan's urban centres declined by 1.2 percentage points from October 2005 to October 2006. At 3.2 per cent, this represents the lowest rate of vacancy in Saskatchewan in six years. With the decline in vacancies, the average rent for a two-bedroom apartment climbed to $601 per month. Higher commodity prices and exploration in Saskatchewan's natural resource sector have spurred tighter rental market conditions, as they have contributed to a record low unemployment rate and lower out-migration.

In Saskatchewan's two Census Metropolitan Areas (CMAs), both the Regina and Saskatoon CMAs recorded higher rents in 2006, though the average vacancy rate was only lower in Saskatoon. In Saskatoon, the rising cost of homeownership combined with rising in-migration drove the vacancy rate down 1.4 percentage points since 2005, reaching 3.2 per cent this year. The increased rental demand has pushed the average rent for a two-bedroom unit up to $608 per month. By excluding the impact of new structures built since the last survey and conversions from the calculation, we can get a better indication of the rent increase in existing structures. For the Saskatoon CMA, the average rent for a two-bedroom apartment in existing structures increased by 4.0 per cent in October 2006 compared to a year ago.

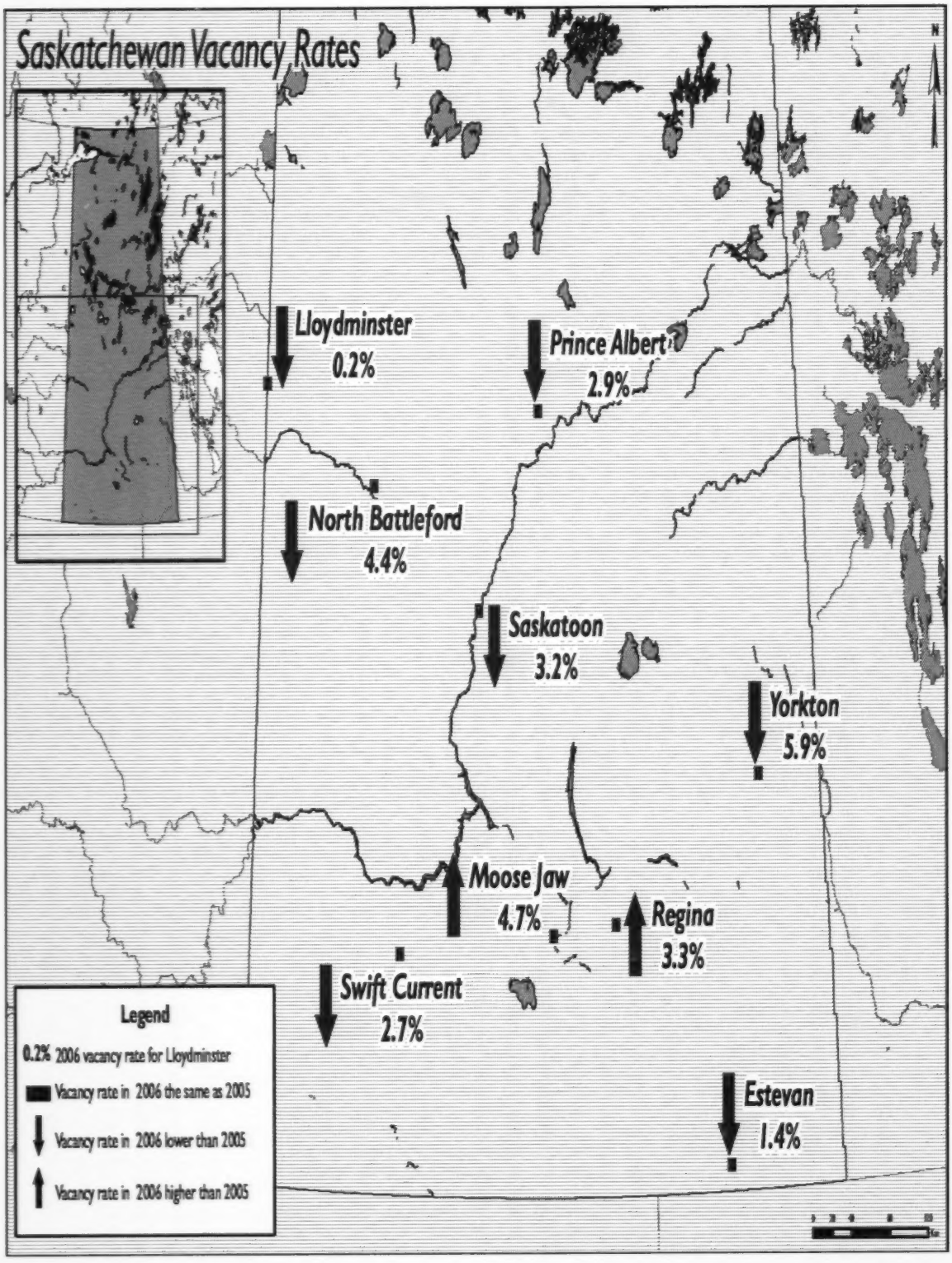
While the vacancy rate fell in Saskatoon, apartment vacancies in the Regina CMA were modestly higher than in 2005, increasing from 3.2 per cent to 3.3 per cent this year. This represents the highest vacancy rate for Regina in 13 years. At $619 per month, the average two-bedroom rent in Regina was the second highest paid in the province. For the Regina CMA, the average rent for a two-bedroom apartment in existing structures increased by 2.3 per cent in October 2006 compared to a year ago.

Among Saskatchewan's seven Census Agglomerations (CAs), vacancy rates decreased in all but one market. Moose Jaw was the only CA to report an increase, with the average vacancy rate rising 0.9 percentage points to 4.7 per cent, the highest in five years. Despite the increase, Moose Jaw did not record the highest vacancy rate among CAs, as Yorkton reported an average vacancy rate of 5.9 per cent. Lloydminster, meanwhile, reported the lowest vacancy rate in the province, falling from 0.7 per cent in 2005 to 0.2 per this year. North Battleford reported the largest decline in vacancies with the average rate dropping 7.4 percentage points to 4.4 per cent in 2006, the lowest on record for that centre. Prince Albert also reported a marked decline in vacancies, down 4.9 percentage points to 2.9 per cent this year. This was the first time since 1999 that Prince Albert's vacancy rate was below three per cent. Estevan and Swift Current also reported average vacancy rates of less than three per cent.

The average rent for a two-bedroom apartment rose in each of the seven CAs. With a vacancy rate of 0.2 per cent, Lloydminster landlords raised rents for two-bedroom apartments to $710 per month, the highest average rent in the province. Meanwhile, rents increased in North Battleford, Swift Current and Estevan, where the average rent for a two-bedroom unit was $483, $501 and $584, respectively.

Rental Market Survey – now also done in the spring

Starting in 2007, CMHC will be conducting a rental market survey in the spring, in addition to the one conducted in the fall. The results of the spring survey will be published in June and will provide centre-level information on key rental market indicators such as vacancy rates and average rents. This will give users access to more timely information on market trends.


Saskatchewan Vacancy Rates
Lloydminster
0.2%
Prince Albert
2.9%
North Battleford
4.4%
Saskatoon
3.2%
Yorkton
5.9%
Moose Jaw
4.7%
Regina
3.3%
Swift Current
2.7%
Estevan
1.4%
Legend
0.2% 2006 vacancy rate for Lloydminster
Vacancy rate in 2006 the same as 2005
Vacancy rate in 2006 lower than 2005
Vacancy rate in 2006 higher than 2005

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Saskatchewan

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Regina CMA	4.4 b	4.6 b	3.6 b	3.8 b	2.7 a	2.8 a	0.7 b	2.8 c	3.2 a	3.3 b
Saskatoon CMA	4.4 b	5.1 b	3.3 a	2.0 a	5.3 a	3.8 a	8.1 a	3.6 a	4.6 a	3.2 a
Estevan CA	27.3 a	8.3 a	3.0 a	0.6 a	2.0 a	1.5 a	0.0 a	0.0 a	3.2 a	1.4 a
Lloydminster CA (1)	0.0 a	0.0 c	0.8 a	0.3 a	0.4 a	0.2 a	1.9 a	0.0 c	0.7 a	0.2 a
Moose Jaw CA	**	10.7 a	4.0 b	6.9 b	2.9 a	2.1 b	3.6 a	3.4 a	3.8 a	4.7 b
North Battleford CA	10.0 a	13.5 a	12.5 a	4.8 a	11.8 a	3.4 a	8.8 a	3.1 c	11.8 a	4.4 a
Prince Albert CA	12.1 c	5.2 a	7.6 a	2.5 a	7.4 a	2.3 a	9.1 a	6.1 a	7.8 a	2.9 a
Swift Current CA	4.3 a	10.2 a	2.1 a	4.1 b	3.4 a	1.4 a	9.2 a	0.0 a	3.5 a	2.7 a
Yorkton CA	11.9 a	11.9 d	8.3 a	4.3 c	7.4 a	6.6 a	5.7 a	2.9 a	8.0 a	5.9 a
Saskatchewan 10,000+	**5.6 a**	**5.6 a**	**3.8 a**	**3.0 a**	**4.5 a**	**3.1 a**	**6.6 a**	**3.3 a**	**4.4 a**	**3.2 a**

(1) Includes both Alberta and Saskatchewan portions of the CA

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click *Methodology* or *Data Reliability Tables Appendix links* for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Saskatchewan

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Regina CMA	368 a	376 a	505 a	515 a	607 a	619 a	701 a	729 a	547 a	559 a
Saskatoon CMA	374 a	395 a	477 a	496 a	584 a	608 a	629 a	639 a	536 a	556 a
Estevan CA	322 a	352 a	471 a	512 a	549 a	584 a	671 a	696 a	525 a	557 a
Lloydminster CA (1)	406 a	467 a	540 a	581 a	634 a	710 a	711 a	781 a	601 a	662 a
Moose Jaw CA	314 a	349 b	428 a	441 a	551 a	566 a	479 a	483 a	486 a	499 a
North Battleford CA	303 a	308 a	373 a	382 a	460 a	483 a	533 a	546 a	424 a	442 a
Prince Albert CA	350 a	350 a	461 a	467 a	525 a	528 a	575 a	589 a	503 a	506 a
Swift Current CA	276 a	293 a	371 a	389 a	470 a	501 a	542 a	569 a	430 a	455 a
Yorkton CA	319 a	327 a	413 a	427 a	481 a	504 a	553 a	563 a	446 a	466 a
Saskatchewan 10,000+	**362 a**	**377 a**	**481 a**	**497 a**	**579 a**	**601 a**	**624 a**	**645 a**	**531 a**	**549 a**

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1.1.3 Number of Private Apartment Units Vacant and Universe in October 2006 by Bedroom Type Saskatchewan

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Regina CMA	35 b	750	189 b	5,023	151 a	5,409	6 c	232	381 b	11,414
Saskatoon CMA	36 b	715	115 a	5,739	288 a	7,583	26 a	727	466 a	14,763
Estevan CA	2 a	24	1 a	175	4 a	265	0 a	41	7 a	505
Lloydminster CA (1)	0 c	56	2 a	594	2 a	946	0 c	106	4 a	1,702
Moose Jaw CA	7 a	70	45 b	658	15 b	692	1 a	29	69 b	1,450
North Battleford CA	5 a	37	14 a	290	16 a	468	1 c	32	36 a	828
Prince Albert CA	5 a	96	18 a	711	27 a	1,182	15 a	247	65 a	2,236
Swift Current CA	5 a	52	12 b	283	6 a	452	0 a	68	23 a	855
Yorkton CA	8 d	67	13 c	302	26 a	394	2 a	69	49 a	832
Saskatchewan 10,000+	**104 a**	**1,867**	**409 a**	**13,775**	**535 a**	**17,392**	**51 a**	**1,551**	**1,100 a**	**34,585**

(1) Includes both Alberta and Saskatchewan portions of the CA

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Please click *Methodology* or *Data Reliability Tables Appendix links* for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Saskatchewan

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Regina CMA	6.5 b	6.3 b	5.4 a	5.5 b	4.3 a	3.7 b	4.6 d	3.9 d	4.9 a	4.7 a
Saskatoon CMA	7.0 a	6.7 b	5.3 a	3.1 a	7.4 a	4.8 a	10.1 a	4.8 a	6.7 a	4.2 a
Estevan CA	27.3 a	8.3 a	4.8 a	0.6 a	5.5 a	2.3 a	0.0 a	0.0 a	5.7 a	1.8 a
Lloydminster CA (1)	0.0 a	0.0 c	0.8 a	0.3 a	0.4 a	0.2 a	1.9 a	0.0 c	0.7 a	0.2 a
Moose Jaw CA	**	16.4 a	5.6 a	7.3 b	4.5 a	2.1 b	17.8 a	3.4 a	5.6 a	5.2 b
North Battleford CA	10.0 a	13.5 a	13.1 a	5.2 a	13.3 a	3.4 a	11.8 a	3.1 c	13.1 a	4.5 a
Prince Albert CA	12.1 c	6.3 a	10.0 a	4.4 a	9.2 a	4.9 a	12.3 a	15.4 a	9.9 a	5.9 a
Swift Current CA	8.5 a	10.2 a	3.8 a	4.8 b	4.1 a	3.0 a	9.2 a	2.9 a	4.7 a	4.0 a
Yorkton CA	14.3 a	11.9 d	9.9 a	4.6 c	9.8 a	7.1 a	8.6 a	2.9 a	10.2 a	6.2 a
Saskatchewan 10,000+	**7.7 a**	**7.1 a**	**5.7 a**	**4.2 a**	**6.2 a**	**4.0 a**	**9.0 a**	**5.7 a**	**6.2 a**	**4.3 a**

(1) Includes both Alberta and Saskatchewan portions of the CA

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METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. This year, CMHC is also introducing a new measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the 2005 and 2006 Rental Market Survey. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in the Rental Market Report – Canada Highlights and in the narrative section of the local Rental Market Reports. The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in September to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e.. Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e.. one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

In 2006, rented condominium apartments were surveyed in the following CMAs: Vancouver, Calgary, Edmonton, Toronto, Ottawa, Montréal and Québec. Other secondary rental market units were surveyed in Vancouver, Toronto and Montréal.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2001 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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